3 Stocks for Millennials Chasing Passive-Income Dreams

Description

If you're a millennial, congratulations. You are no longer the youngest generation in the workforce, and many of you are established enough in your career to realize that you too will one day retire. To do so comfortably, you will need a sizable source of income.

Fortunately, the market has plenty of options to make that happen. Here are several compelling investment options you may want to consider to create a growing, recurring source of income that will still be around when you reach your retirement.

Why buy a home?

While older investors will no doubt often tout the benefits of owning real estate, many younger investors are shying away from buying real estate, noting factors such as the unavailability of properties within the major metro areas across the country as well as the soaring unaffordability of those homes. These are just a few reasons why many investors are turning towards REIT investments as a means to own property and generate a stream of income.

One of the most prominent names in the REIT area that should be on every investor's radar is **RioCan** (TSX:REI.UN).

RioCan has a portfolio of mainly large retail holdings — think shopping malls. In the past, this has proven to be a fabulous income generator for the company, but in recent years that growth has plateaued, particularly as changing consumer habits have shoppers browsing on their smartphones instead of walking through the mall.

To counter that, RioCan is creating a series of new mixed-use properties that will combine residential towers with several floors of retail at the base, catering to the affordability and location issues expressed earlier. The first properties are set to open later this year, and RioCan is planning to have thousands of residential units added to its portfolio within the next few years.

In terms of its distribution, RioCan offers investors a monthly payout with an attractive 5.50% yield.

Invest in the green economy!

Just as important as housing comes the need for sustainability. Industries around the world are increasingly turning to renewable energy sources to not only as a source of power but as an opportunity for growth. One such opportunity exists in the form of **Innergex Renewable Energy** (TSX:INE).

Innergex has a portfolio of 70 sites across Canada, the U.S., and Europe that together have a combined capacity of over 3,300 MW, which is diversified across hydro, solar, wind, and geothermal elements.

There are several points for investors to note that make Innergex an attractive option. First, there's the allure of renewable energy facilities. Fossil fuel-burning utilities are on the decline, being replaced with renewable energy facilities at an increasing rate, making Innergex a long-term growth opportunity.

Then there's the duration of existing contracts. Utilities have long-term contracts known as power-purchase agreements (PPAs) that stipulate the amount of utility will provide as well as the level of compensation; contracts can span two or three decades in duration. In the case Innergex, 62% of its portfolio is covered by PPAs spanning at least two decades (and some expiring in 2050 or later) — an incredibly stable growth option.

Finally, there's the dividend. Innergex offers a quarterly distribution with a respectable 4.84% yield.

Technology is key to the future

One of the most important areas of investment for long-term investors to consider today is in technology, but rather than opting for the up-and-coming tech stock, let's take a moment to talk about one of Canada's biggest telecoms, **Rogers Communications** (TSX:RCI.B)(NYSE:RCI).

Telecoms may sound dated, particularly when they are associated with landline phones and cable TV packages, but they are also the largest (if not the only) source of wireless data plans in the country.

Our data needs are constantly growing, as is the number of apps that can gobble up our data allowances. Rogers knows this and has invested heavily in creating a better network, providing better service, and cutting its debt. That investment came at the cost of hiking its once appetizing dividend, but those efforts have finally borne fruit.

In short, Rogers recently announced some of the best wireless subscriber numbers in a decade and hiked its quarterly dividend for the first time in years to a 2.77% yield.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:INE (Innergex Renewable Energy Inc.)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Tags

1. Editor's Choice

Date
2025/07/01
Date Created
2019/03/25
Author
dafxentiou